



BASE RESOURCES LTD

ASX and Media Release

11 July 2011

PROJECT FINANCING UPDATE

Base Resources Limited (ASX:BSE) ("Base") is pleased to advise that solid progress is being made towards securing formal credit approvals for the \$170 million syndicated project finance facility.

The originally proposed \$150 million facility has now been augmented with a US\$20 million cost overrun component. This facility, combined with an equity capital raising to be undertaken once formal credit approval is received, will provide the funding required for the development of the Kwale Project.

The banking syndicate has completed due diligence and are now progressing through the credit approval process. WestLB, as mandated lead arranger, has advised that individual credit approvals from individual syndicate members are expected to be received over the next two weeks with all approvals scheduled to be in place by 22 July. The formal documentation process is underway and is expected to be completed by the end of August.

Once formal credit approval for the debt facility is secured, the equity capital raising required to complete the development funding package will be initiated. Preparatory work for this raising is well advanced.

The planned completion of financing activities by the end of August 2011 will see the commencement of construction at Kwale in September 2011 and first production expected in the 3rd quarter of 2013.

ENDS

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Corporate Details:

Board of Directors:

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Tim Carstens	Managing Director
Colin Bwye	Executive Director
Sam Willis	Non Executive Director
Winton Willesee	Non Executive Director/ Company Secretary

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About Base Resources

Base Resources Limited (ASX:BSE) is developing the world-class Kwale Mineral Sands Project in Kenya, East Africa. Kwale is an advanced and highly competitive project in a sector with a significant forecast supply shortfall widely expected to emerge in the medium term.

The Kwale Project represents an advanced development opportunity with all material project approvals, permits and licenses required for development currently in place and a full definitive feasibility study (DFS) having been completed.

The Project enjoys a high level of support from the Government of Kenya as well as the local community and, located just 50km from Mombasa, Kenya's principal port facility, is well serviced by existing physical infrastructure.

Importantly, two pilot plant operations at Kwale provide confidence in processing behaviour and indicate a suite of readily marketable products. The Project's high value mineral assemblage and low stripping ratio result in a projected revenue to cash cost ratio that would place Kwale in the top quartile of world producers.

Financing and product off-take negotiations are currently underway and scheduled to be concluded in the September quarter of 2011. A realistic development time line should see the Kwale Project in production in 2013.

Base Resources also has a portfolio of early stage exploration projects in Western Australia's Mid West region, with established targets for iron ore, gold, base metals and uranium. The Company continues to progress the granting of the tenements, the evaluation of their potential and the consideration of the various development alternatives to maximize realized value.

The Board of Base Resources brings together a diverse skill set and considerable experience in all aspects of exploration and development, operations, finance, corporate development and capital markets - together with a commitment to unlock value for its shareholders from the Company's growing and diverse portfolio of assets in both Africa and Australia.